



STATE OF MISSISSIPPI
PHIL BRYANT
GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
GARY C. RIKARD, EXECUTIVE DIRECTOR

COMPLIANCE REVIEW FINDINGS

Stacey E. Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

September 1, 2017

Dear Mr. Pickering,

Following is our formal response and plan of corrective action for each finding from the Limited Internal Control and Compliance Review Management Report dated August 18, 2017 that we received from your office.

AUDIT FINDINGS:

Controls over Capital Assets Should Be Strengthened

Response: MDEQ recognizes the need for all Property Disposition Forms to have the signature of the department releasing custody of the asset, as well as, the Property Officer. The Property Disposition Form had not previously been used for vehicles.

Corrective Action Plan:

- A. The Department of Property Officer has been instructed to ensure that the department releasing custody signs all Property Disposition Forms. In addition, Property Disposition Forms will be completed for all asset dispositions, including vehicles. The Support Services Division Director will review all Property Disposition Forms for compliance.
- B. Property Officer and Support Services Division Director
- C. August 31, 2017
- D. Not applicable.

Agency Should Comply with State Laws over Contractual Services

Response: MDEQ acknowledges the fact that some invoices were not paid within 30 days of the invoice date due to delayed staff approval time. MDEQ staff has been made aware that all invoices must be

submitted to DFA within 30 days of the receipt of the invoice. MDEQ did not incur any additional expenses related to the payment of these invoices.

Corrective Action Plan:

- A. MDEQ will conduct staff training on compliance with state payment requirements and will instruct staff to be more expeditious in their approval of invoices. We will also enhance our invoice tracking system to identify invoices that have been in-house more than 14 days for follow up.
- B. Accounting Director
- C. September 30, 2017
- D. Not applicable.

Agency Should Comply with Laws over Board Meetings

Response: The Agency was not aware of the requirement to conduct a vote for removal of a commission member who missed three consecutive meetings. There had been one commission meeting since the member's third absence.

Corrective Action Plan:

- A. The MDEQ Commission acted at their most recent commission meeting on August 24, 2017. The Commission voted unanimously for the Commission member to remain on the Commission. In addition, MDEQ has implemented procedures to track commission member's attendance.
- B. General Counsel and Staff Officer.
- C. August 24, 2017
- D. Not applicable.

Agency Should Comply with State Laws over Travel

Response: MDEQ acknowledges that two vouchers of the 35 tested were missing some proper receipts or supporting documentation. One voucher contained three of the four noted instances, along with the instance in which the travel advance was not settled within the time required. The applicable employee was a new employee who had not received travel training. The agency understands the need for all employees to have travel training and for proper advance approvals to comply with the MAAPP manual.

Corrective Action Plan:

- A. MDEQ has established travel liaisons within all of its divisions who have received travel training. These employees will work with staff to ensure compliance with both state laws and DFA's travel manual. MDEQ has expanded the agency's policy to require prior approval for all overnight travel to include in-state travel. The Agency has also implemented a tracking program for all advances issued to ensure the corresponding travel voucher is submitted in time to settle within 10 days of the following month in which the travel occurred.
- B. Accounting Director
- C. September 30, 2017

D. Not applicable.

Agency Should Comply with State Laws over Subsidies, Loans and Grants

Response: MDEQ recognizes the need to review proper supporting documentation on all subsidies, loans and grants payment requests.

Corrective Action Plan:

- A. Program staff has implemented procedures to require the submission of adequate documentation with the sub-grantee invoices. This supporting documentation will be reviewed internally by program staff before the invoice is approved for payment.
- B. Project Managers or their designee
- C. August 15, 2017
- D. Not applicable.

Thank you for your recommendations. I appreciate the courtesy and professionalism exhibited by your staff during this review. Should you have any questions or need additional information, please feel free to contact me.

Sincerely,



Gary Rikard
Executive Director